



Press Release

Release Date: August 13, 2002

For immediate release

The Federal Open Market Committee decided today to keep its target for the federal funds rate unchanged at 1 3/4 percent.

The softening in the growth of aggregate demand that emerged this spring has been prolonged in large measure by weakness in financial markets and heightened uncertainty related to problems in corporate reporting and governance.

The current accommodative stance of monetary policy, coupled with still-robust underlying growth in productivity, should be sufficient to foster an improving business climate over time.

Nonetheless, the Committee recognizes that, for the foreseeable future, against the background of its long run goals of price stability and sustainable economic growth and of the information currently available, the risks are weighted mainly toward conditions that may generate economic weakness.

Voting for the FOMC monetary policy action were Alan Greenspan, Chairman; William J. McDonough, Vice Chairman; Ben S. Bernanke, Susan S. Bies; Roger W. Ferguson, Jr.; Edward M. Gramlich; Jerry L. Jordan; Donald L. Kohn, Robert D. McTeer, Jr.; Mark W. Olson; Anthony M. Santomero, and Gary H. Stern.

[2002 Monetary policy](#)

[Home](#) | [News and events](#)

[Accessibility](#)

Last update: August 13, 2002